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# BETWEEN

# CHARLESTON REDEVELOPMENT **AUTHORITY**

AND

THE UNITED STATES OF AMERICA FOR THE

DEFENSE FINANCE

AND

**ACCOUNTING SERVICE** 

# LEASE BETWEEN CHARLESTON REDEVELOPMENT AUTHORITY AND THE UNITED STATES OF AMERICA FOR THE DEFENSE FINANCE AND ACCOUNTING SERVICE

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# LEASE BETWEEN CHARLESTON REDEVELOPMENT AUTHORITY AND THE UNITED STATES OF AMERICA FOR THE DEFENSE FINANCE AND ACCOUNTING SERVICE

THIS LEASE ("Lease") is made this 31" day of January 2002, between the CHARLESTON NAVAL COMPLEX REDEVELOPMENT AUTHORITY, the local redevelopment authority recognized by the Secretary of the Navy organized and existing under the laws of the State of South Carolina (hereinafter called the "Lessor"), and THE UNITED STATES OF AMERICA acting by and through the Secretary of the Navy, or designee (hereinafter referred to as the "Government" or "Lessee"), (collectively, the "Parties").

## RECITALS

- A. Pursuant to an Economic Development Conveyance, and the Defense Base Closure and Realignment Act of 1990, Pub. L. No. 101-510, as amended, and contingent upon its promise to lease the property back to the United States, on January 31, 2002, the Lessor received from the Government by quitclaim deed conveyance dated January 31, 2002, certain lands comprising a portion of the former Main Base of the former Charleston Naval Complex, which is presently occupied by and will be leased to the Government for use as an accounting and finance facility or other similar use.
- B. The Government is entering into this Lease under the authority of section 2837 of the National Defense Authorization Act for Fiscal Year 1996 (Pub. L. No. 104-106), that amended section 2905(b)(4)(C) of the Defense Base Closure and Realignment Act of 1990, Pub. L. No. 101-510 (10 U.S.C. § 2687 note).

## Leased Premises

NOW, THEREFORE, the Lessor, by virtue of the authority conferred by law, for the consideration set out below, hereby leases to the Lessee the premises and property consisting of certain lands with improvements on the Main Base of the former Charleston Naval Complex, as more particularly described in Exhibit A hereto.

THIS LEASE is granted subject to the following conditions:

#### CONDITION

## DEFINITIONS AND BASIC LEASE PROVISIONS

- 1.1. <u>Description of the Property</u>. The Lessor hereby leases to the Government, and the Government hereby leases from the Lessor, the following premises as described and shown on Exhibit "A" (hereinafter "Leased Premises"), attached hereto and incorporated by reference.
- 1.2. Environmental Baseline Survey (EBS). An environmental survey used to document the condition of real property. For the former Charleston Naval Complex, the date of such survey is October 1, 1996.
- 1.3. <u>Final Environmental Impact Statement and Record of Decision</u>. The Final Environmental Impact Statement for the Disposal and Reuse of the former Charleston Naval Complex, and the Record of Decision dated May 7, 1996, ("ROD"; including attachments thereto) that analyze the environmental impacts of reuse.
- 1.4. <u>Installation</u>. The Charleston Naval Complex, a portion of whose facilities, as defined in Section 1.1., are subject to this Lease.

- 1.5. <u>Installation Restoration Program (IRP)</u>. The Department of Defense-wide program to identify, investigate, and clean up all suspected and confirmed contaminated areas caused by the military's activities on its installations.
  - 1.6. Secretary. The Secretary of the Navy, or his duly authorized representative.
- 1.7. Term. This Lease shall be for a term of fifty (50) years, beginning upon the execution of the Lease by the Parties ("Term Beginning Date") and ending with respect to any part or all of the Leased Premises at midnight on the day which is (50) years from the Term Beginning Date unless sooner terminated in accordance with the provisions of this Lease. The Lessee may renew or extend this Lease at its option in accordance with appropriate law and regulations.
- 1.8. <u>Termination</u>. The Lessee may terminate this Lease at any time by giving at least sixty (60) days notice in writing to the Lessor.
- 1.9. <u>Authorization</u>. The Charleston Naval Complex Redevelopment Authority is duly authorized to execute this Lease for the Lessor, and the Real Estate Contracting Officer has been duly authorized to execute this Lease for the Lessee. Except as otherwise specifically provided, any reference herein to the Lessor shall include the Lessor's duly appointed successors and authorized representatives, and any reference herein to the Lessee shall include the Lessee's duly appointed successors and authorized representatives.

## 1.10. Lessor's Address.

Charleston Naval Complex Redevelopment Authority 1360 Truxton Avenue Suite 300 North Charleston, SC 29405

## 1.11. Lessee's Address.

Department of the Navy
Southern Division
Naval Facilities Engineering Command
P.O. Box 190010
North Charleston, South Carolina 29419-9010
Attn: Real Estate Contracting Officer, Code 06

## With a Copy to:

Director Defense Finance and Accounting Service 1931 Jefferson Davis Highway Arlington, Virginia 22240-5291

#### **CONDITION 2**

## EASEMENTS AND RIGHTS-OF-WAY

2.1. This Lease is subject to all outstanding easements and rights-of-way ("Outgrants") for any purpose with respect to the Leased Premises. The holders of such outgrants shall have reasonable rights of ingress and egress over the Leased Premises, consistent with Lessee's building security requirements and right to quiet enjoyment of them under this Lease, in order to carry out the purpose of the Outgrant. These rights may also be exercised by workers engaged in the construction, installation, maintenance, operation, repair, or replacement of facilities located on the outgrants and by any Federal, State, or local official engaged in the official inspection

thereof. The occupant shall be given prior notice by the holder of the outgrant of its intent to utilize the outgrant.

- 2.2. The Lessee and any successor or successors in interest shall have the right of access to and from the entire Leased Premises over private or dedicated public roadways open to public use.
- 2.3. In the event the Lessor, its successors or assigns, need to install new utility distribution systems to serve the Installation and or the Leased Premises, the Lessor or such entity shall have the right to establish utility corridors and install new utility distribution systems on the Leased Premises, provided work on such utility corridors shall not interfere with ongoing governmental activities. The Lessor will provide at least 30 days' advance written notice to the Lessee concerning establishment of utility corridors and installation of utility distribution systems on the Leased Premises.

## **CONDITION 3**

## CONDITION OF LEASED PREMISES

3.1. The Lessee has inspected, knows and accepts the condition and state of repair of the Leased Premises. It is understood and agreed that they are leased in an "as is, where is" condition without any representation or warranty by the Lessor concerning their condition and without obligation on the part of the Lessor to make any alterations, repairs or additions. The Lessor shall not be liable for any latent or patent defects in the Leased Premises. The Lessee acknowledges that the Lessor has made no representation or warranty concerning the condition and state of

repair of the Leased Premises nor any agreement or promise to alter, improve, adapt, or repair them which has not been fully set forth in this Lease.

- 3.2. Prior to the Term Beginning Date, the following reports will be prepared by the Lessee and attached as exhibits to this Lease:
- 3.2.1. A physical condition report (PCR) signed by representatives of the Lessor and the Lessee as Exhibit B. The PCR shall set forth the agreed physical appearance and condition of the Leased Premises on the Term Beginning Date as determined from a joint inspection of them by the Parties. A videotape, with the option of a sound track, of the Leased Premises shall be made by the Parties at the time that they inspect the Leased Premises for use in the preparation of the PCR. The videotape shall be preserved by the Lessor for the term of this Lease and for a period of one (1) year thereafter.
- 3.2.2. The Environmental Baseline Survey (EBS) and Finding of Suitability to Transfer (FOST), Exhibit C, shall set forth those environmental conditions and matters on and affecting the Leased Premises on the Term Beginning Date, as determined from the records and analyses reflected therein.
- 3.3. At the expiration or earlier termination of the Lease, the following reports will be prepared by the Lessor and attached as exhibits and made a part of the Lease within ten (10) business days after the expiration of the Lease or the earlier termination of the Lease, as the case may be:
- 3.3.1. An update of the PCR, signed by representatives of the Lessor and the Lessee as Exhibit B-1. The update of the PCR will set forth the agreed physical appearance and condition

of the Leased Premises on the ending date of the Lease as determined from a joint inspection of them by the Parties.

3.3.2. The update of the EBS will set forth those environmental conditions and matters on and affecting the Leased Premises on the ending date of the Lease as determined from the records and analyses reflected therein.

## **CONDITION 4**

## **RENT**

4.1. Pursuant to section 2837 of the National Defense Authorization Act for Fiscal Year 1996 (Pub. L. No. 104-106), that amended section 2905(b)(4)(C) of the Defense Base Closure and Realignment Act of 1990, Pub. L. No. 101-510 (10 U.S.C. § 2687 note), the Lessee shall pay One dollar (\$1.00) per year, receipt of which is acknowledged, for this Lease.

#### CONDITION 5

## LANDSCAPING

5.1. The Lessor, its successors or assigns, after consultation with the Lessee, shall have the right, but not the obligation, to perform landscaping and other maintenance services on a twenty-five (25) foot wide portion of land along the perimeter of the Leased Premises in order to preserve the physical appearance of the Leased Premises and to integrate the Lessor's activities into that of the surrounding area, all at Lessor's sole cost and expense, provided that such landscaping or maintenance services shall not interfere with ongoing governmental activities.

#### **CONDITION 6**

## USE OF LEASED PREMISES

6.1. The Leased Premises may be used by the Government as an accounting and finance facility or other similar use.

#### **CONDITION 7**

### **TAXES**

7.1. Other than in accordance with Condition 13.3, the Lessee will not be responsible for payment of any taxes, assessments or similar charges related to the Leased Premises.

## **CONDITION 8**

## SURRENDER OF LEASED PREMISES

8.1. The Lessee shall vacate and surrender the Leased Premises to the Lessor on or before the date of expiration of the Lease or any renewal thereof, or its earlier termination hereunder.

## CONDITION 9

## MAINTENANCE, REPAIR, AND ALTERATIONS OF LEASED PREMISES

9.1. After consultation with the Lessor, the Lessee shall maintain, repair, or alter the Leased Premises as it, in its reasonable discretion, deems necessary to enable the use of the Leased Premises as an accounting and finance facility or other similar use. Such work shall be conducted at the sole cost and expense of the Lessee.

- 9.2. All alterations or property placed in, on, upon, or attached to the Leased Premises shall be and remain the property of the Lessee and may be removed or otherwise disposed of by the Lessee.
- 9.3. The Government will, at its sole expense, keep and maintain the Leased Premises and appurtenances in a good and sanitary condition and repair at all times during the term of this Lease and any renewal thereof.
- 9.4. If the Government fails to keep and maintain the Leased Premises and appurtenances in a good and sanitary condition and repair at all times during the term of this Lease and any renewal thereof, the Lessor will provide the Lessee written notice of the needed repairs and, if the needed repairs have not been performed within 30 days of receipt of the written notice, the Lessor has the right, upon providing prior notice (notice shall include date of repair and time to complete repair), to enter onto the Leased Premises and make the necessary repairs, at Lessor's sole cost and expense, provided that such repair and maintenance services shall not unreasonably interfere with ongoing governmental activities.

#### **CONDITION 10**

#### COMPLIANCE WITH APPLICABLE LAWS

- 10.1. Unless otherwise specified in the Lease, the Lessee shall comply with all applicable Federal, State, and local laws, regulations, and standards that are or may become applicable to Lessee or Lessee's activities on the Leased Premises.
- 10.2. Nothing in this Lease shall be construed to constitute a waiver of Federal Supremacy or Federal or State sovereign immunity.

### **CONDITION 11**

## **CONTROLLING LAWS**

11.1 This Agreement and the provisions contained herein shall be construed, controlled, and interpreted according to Federal laws and, where applicable and not preempted by Federal laws, the laws of the State of South Carolina and the City of North Charleston.

## **CONDITION 12**

## UTILITIES AND SERVICES

- 12.1. The Lessee shall be responsible for obtaining utilities, including: water, sewer, electric, gas and solid waste disposal services and such other services as it deems necessary to enable use of the Leased Premises as an accounting and finance facility or other similar use. Acquisition of such services by the Lessee shall be accomplished in accordance with applicable statutory and regulatory requirements. The Lessee shall not be required to pay the Lessor or any local governmental entity for fire and police protection at the Leased Premises. Any special (above and beyond normal) police or fire requirements of the Lessee by virtue of the Lessee's status as a Federal agency shall be addressed in a separate Memorandum of Agreement to be executed by the Parties.
- 12.2. If new utility distribution systems are constructed by the Lessor, its successors or assigns, the Lessee consents to the hook up of the utility systems on the Leased Premises to such new utility distribution systems and the abandonment of the existing utility lines. The Government will pay standard connection charges, subject to the availability of funds, and to the extent such

charges are solely related to the cost of the utility connections provided to the leased premises as such charges are established or approved by appropriate regulatory authorities.

- 12.3. To the extent that they do not represent a tax on Lessee, which Lessee is exempt from under Federal sovereign immunity laws, and subject to the availability of funds, the Lessee shall reimburse the Lessor for any utility related fees or periodic assessments levied against (1) the Property, or (2) the Lessor on account of Lessee's use and occupancy of the Lessed Premises.
- 12.4. Subordination, Nondisturbance and Attornment. The Lessee agrees within twenty (20) business days following the receipt of a written demand, to execute such instruments as the Lessor may reasonably request to evidence the subordination of this Lease to any water, sewer or access easement necessary or desirable to serve the Leased Premises or adjoining property owned in whole or in part by the Lessor if such easement does not interfere with the full enjoyment of any right granted the Lessee under this Lease.

#### **CONDITION 13**

#### SEVERABILITY

13.1. If any term or provision of this Lease, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be in force to the fullest extent permitted by law.

#### **CONDITION 14**

### DANGEROUS MATERIALS

14.1. The Lessee shall not keep on the Leased Premises any item of a dangerous, flammable or explosive character that might unreasonably increase the danger of fire on the Leased Premises or that might be considered hazardous or extra-hazardous (this excludes everyday household, landscaping, and cleaning supplies).

#### **CONDITION 15**

### NOTICES

- 15.1. Whenever the Lessor or the Lessee shall desire to give or serve upon the other any notice, demand, order, direction, determination, requirement, consent or approval, request or other communication with respect to this Lease or with respect to the Leased Premises, each such notice, demand, order, direction, determination, requirement, consent or approval, request or other communication shall be in writing and shall not be effective for any purpose unless same shall be given or served by personal delivery to the Party or Parties to whom such notice, demand, order, direction, determination, requirement, consent or approval, request or other communication is directed or by mailing the same, in duplicate, to such Party or Parties by certified mail, postage prepaid, return receipt requested, addressed as in Condition 1.10 and 1.11 or at such other address or addresses as the Lessor or the Lessee may from time to time designate by notice given by certified mail.
- 15.2. Every notice, demand, order, direction, determination, requirement, consent or approval, request or communication hereunder sent by mail shall be deemed to have been given when mailed.

#### **CONDITION 16**

#### PERSONAL PROPERTY

16.1. Any personal property of the Government on the Leased Premises shall be at the risk of the Government. The Government may install, operate, repair and replace any said personal property on the Leased Premises used from time to time in connection with the operation hereunder, all of which shall be and remain the property of the Government and may be removed prior to expiration or earlier termination of the Lease term herein and any renewal period. Upon the proper removal of its property, the Government shall repair any damage to the Leased Premises caused by such removal. The Government shall remove or dispose of all of its personal property from the Leased Premises on or before the termination of the Lease.

#### **CONDITION 17**

## ASSIGNMENTS, SUBLEASES AND LICENSES

- 17.1. After 90 days written notice to the Lessor, the Lessee may transfer or assign this Lease to another department or agency of the Federal Government.
- 17.2. The Lessor shall not transfer ownership rights to any entity without the written consent of the Lessee, or its transferee or assignee, which consent will not be unreasonably withheld if to (1) a political subdivision or (2) a utility provider in accordance with Condition 12 of this Lease.

## **CONDITION 18**

#### INSPECTION OF PREMISES

18.1. After notification and in coordination with the Government, the Lessor reserves the right to enter the Leased Premises at all reasonable times during the term of this Lease or any renewal of the Lease for the purpose of inspecting the Leased Premises and all buildings and improvements located thereon, provided, that such inspections shall not unreasonably interfere with Lessee's occupancy or activities. The Lessor's inspections shall not violate the occupant's applicable security rules and regulations.

**CONDITION 19** 

RESERVED

**CONDITION 20** 

RESERVED

**CONDITION 21** 

RESERVED

**CONDITION 22** 

RESERVED

## **CONDITION 23**

## DISPUTES

23.1. This Lease is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. §§ 601-613) (the "Act").

- 23.2. Except as provided in the Act, all disputes arising under or relating to this Lease shall be resolved under this clause.
- 23.3. "Claim", as used in this clause, means a written demand or written assertion by the Lessor or Government seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of lease terms, or other relief arising under or relating to this Lease. A claim arising under this Lease, unlike a claim relating to this Lease, is a claim that can be resolved under a lease clause that provides for the relief sought by the claimant. However, a written demand or written assertion by the Lessor seeking the payment of money exceeding \$100,000 is not a claim under the Act until certified as required by Section 24.4 below. A voucher, invoice or other routine request for payment that is not in dispute when submitted, is not a claim under the Act. The submission may be converted to a claim under the Act by complying with the submission and certification requirements of this clause, if it is disputed either as to liability or amount, or is not acted upon in a reasonable time.
- 23.4. A claim by the Lessor shall be made in writing and submitted within six (6) years after accrual of the claim, to the Real Estate Contracting Officer for a written decision. A claim by the Government against the Lessor shall be made in writing and submitted to the Lessor within six (6) years after accrual of the claim and shall be subject to a written decision by the Government.
- 1. The Lessor shall provide the certification specified in subparagraph 3 of this clause when submitting any claim:
  - (a) Exceeding \$100,000; or

- (b) Regardless of the amount claimed, when using:
  - (i) Arbitration conducted pursuant to 5 U.S.C. §§ 575-580; or
- (ii) Any other alternative means of dispute resolution (ADR) technique that the agency elects to use in accordance with the Administrative Dispute Resolution Act (ADRA).
- 2. The certification requirement does not apply to issues in controversy that have not been submitted as all or part of a claim.
- 3. The certification shall state as follows: "I certify that the claim is made in good faith; that the supporting data are accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the contract adjustment for which the Lessor believes Government is liable; and that I am duly authorized to certify the claim on behalf of the Lessor."
- The certification may be executed by any person duly authorized to bind the Lessor with respect to the claim.
- 23.5. For Lessor claims of \$100,000 or less, the Real Estate Contracting Officer must, if requested in writing by the Lessor, render a decision within 60 calendar days of the request. For Lessor-certified claims over \$100,000, the Real Estate Contracting Officer must, within 60 calendar days, decide the claim or notify the Lessor of the date by which the decision will be made.
- 23.6. The Real Estate Contracting Officer's decision shall be final unless the Lessor appeals or files a suit as provided in the Act.

- Officer or a claim by the Government is presented to the Lessor, the parties, by mutual consent, may agree to use ADR. When using arbitration conducted pursuant to 5 U.S.C. §§ 575-580, or when using any other ADR technique that the agency elects to employ in accordance with the ADRA, any claim, regardless of amount, shall be accompanied by the certification described in Section 23.4 of this clause, and executed in accordance with Section 23.4 of this clause.
- Government from (1) the date the Real Estate Contracting Officer receives the claim (properly certified if required), or (2) the date payment otherwise would be due, if that date is later, until the date of payment. With regard to claims having defective certifications, as defined in Federal Acquisition Regulations (FAR) 33.201, interest shall be paid from the date that the Real Estate Contracting Officer initially receives the claim. Simple interest on claims shall be paid at the rate, fixed by the Secretary of the Treasury, as provided in the Act, which is applicable to the period during which the Government receives the claim and then at the rate applicable for each 6-month period as fixed by the Treasury Secretary during the pendency of the claim.
- 23.9. The Lessor and the Government shall proceed diligently with the performance of this Lease, pending final resolution of any request for relief, claim, appeal or action arising under this Lease.

## **CONDITION 24**

## NONDISCRIMINATION IN EMPLOYMENT

- A. In connection with the performance of work under this Lease the parties agree not to discriminate against employees or applicants for employment because of race, religion, color, gender, sex, age, disability or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
- B. The Lessor further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

## **CONDITION 25**

## FAILURE TO TAKE ACTION

25.1. The failure of the Lessor or the Government to take any action against the other for violation of any of the terms of the Lease shall not prevent a subsequent act of a similar nature from being in violation of the Lease.

#### **CONDITION 26**

## REPRESENTATIVES BOUND HEREBY

26.1. The covenants and conditions herein contained shall be binding and obligatory on the respective successors, representatives and assign of the parties hereto, and all covenants are to be construed as conditions of this Lease.

#### **CONDITION 27**

#### FORCE MAJEURE

27.1. The parties shall not be liable to each other, or their successors or assigns, for damages, costs, attorney's fees (including costs or attorney's fees on appeal) for breach of contract, or otherwise for failure, suspension, diminution, or other variations of services occasioned by any cause beyond the control and without the fault of the parties. Such causes may include, but shall not be limited to, Acts of God, or of the public enemy, acts of other governments (including regulatory entities or courts) in their sovereign of contractual capacity, fires, floods, epidemics, quarantines, restrictions, strikes, or failure or breakdown of transmission or other facilities.

#### **CONDITION 28**

## QUIET ENJOYMENT

28.1. The Lessor or its successors and assigns may pledge, mortgage or encumber the Leased Premises, provided however, the Government shall have quiet enjoyment of the Leased Premises for the Lease Term and any Subsequent Lease Term pursuant to the terms of the Lease. The Lessee agrees to execute a Lease Status Report and such other instruments as the Lessor may reasonably request to assist the Lessor or its successors and assigns to pledge, mortgage or encumber the Leased Premises. Lessor or its successors and assigns shall provide twenty (20) business days advance written notice to Lessee of Lessor's intent to pledge, mortgage, or encumber the Leased Premises.

#### **CONDITION 29**

## RADON GAS

29.1. Radon is a naturally occurring radioactive gas that when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed Federal and State guidelines have been found in buildings in South Carolina. Additional information regarding radon and radon testing may be obtained from the County Public Health unit.

## **CONDITION 30**

### RESERVED

#### **CONDITION 31**

## GENERAL PROVISIONS.

- 31.1. No Joint Venture. Nothing contained in this Lease will make, or will be construed to make, the Parties hereto partners or joint ventures with each other, it being understood and agreed that the only relationship between the Lessor and the Lessee is that of landlord and tenant. Neither will anything in this Lease render, or be construed to render, either of the Parties hereto liable to any third-party for debts or obligations of the other hereto.
- 31.2. Records and Books of Account. The Lessor agrees that the Comptroller General of the United States or the Auditor General of the Lessee's Department or any of their duly authorized representatives shall, until the expiration of three (3) years after the expiration or earlier termination of this Lease, have access to and the right to examine any directly pertinent books, documents, papers, and records of the Lessor involving transactions related to this Lease.

- 31.3. <u>Failure to Insist on Compliance</u>. The failure of either party to insist in any one or more instances, upon strict performance of any of the terms, covenants or conditions of this Lease shall not be construed as a waiver or a relinquishment of the respective party's rights to the future performance of any such terms, covenants or conditions, but the obligations of the respective party with respect to such future performance shall continue in full force and effect.
- 31.4. <u>Headings or Titles</u>. The brief headings or titles preceding each condition are merely for purposes of identification, convenience, and ease of reference, and will be completely disregarded in the construction of this Lease.
- 31.5. <u>Counterparts</u>. This Lease is executed in four (4) counterparts each of which is deemed an original of equal dignity with the other and which is deemed one and the same instrument as the other.
- 31.6. <u>Personal Pronouns</u>. All personal pronouns used in the Lease, whether used in the masculine, feminine or neuter gender, will include all other genders.
- 31.7. Entire Agreement. It is expressly agreed that this written instrument embodies the entire agreement between the Parties regarding the use of the Leased Premises by the Lessee, and there are no understandings or agreements, verbal or otherwise, between the Parties except as expressly set forth herein.

#### **CONDITION 32**

## **AMENDMENTS**

32.1. This Lease may be amended at any time by mutual agreement of the Parties in writing and signed by a duly authorized representative of each of the respective Parties hereto.

## **CONDITION 33**

## **OPTION**

33.1 Lessee shall have the option to lease additional land as identified in Exhibit "A-1" upon the demolition of the structure currently known as Building 1136 under the same terms and conditions as set forth herein.

## **CONDITION 34**

## **EXHIBITS**

- 34.1. Three (3) exhibits are attached to and made a part of this Lease, as follows:
- Exhibit A Description of Leased Premises (to be prepared and attached to and made a part of this Lease on or before the effective date),
- Exhibit B Physical Condition Report (to be prepared and attached to and made a part of this Lease on or before the effective date), and
- Exhibit C Environmental Baseline Survey and Finding of Suitability to Transfer.

IN WITNESS WHEREOF, the Lessor and the Government have caused this Lease to be executed by their duly authorized representatives on the respective dates set forth beneath each of their signatures and hereby deem this Lease to be effective as of the date shown first above.

-	
	CHARLESTON NAVAL COMPLEX REDEVELOPMENT AUTHORITY
	James C. Bryan, Chairman
	Jannes M. Shrine
	Ronnie M. Givens, Secretary/Treasurer
	DATE: 4/3/0)
	THE UNITED STATES OF AMERICA
	OR WHITE CONTRACTIVE SERVER
	BY: REAL ESTATE CONTRACTING OFFICER
	DATE: 4-3-02
CONCURRENCE:	Elizabeth C. Odland 1/28/2002 Director, Defense Finance and Accounting Service

# State Budget and Control Board office of general services

JIM HODGES, CHAIRMAN GOVERNOR

GRADY L. PATTERSON, JR. STATE TREASURER

JAMES A. LANDER
COMPTROLLER GENERAL

HUGH K. LEATHERMAN, SR. CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT W. HARRELL, JR.
CHAIRMAN, WAYS AND MEANS COMMITTEE

FRANK FUSCO EXECUTIVE DIRECTOR

1201 MAIN STREET, SUITE 420 COLUMBIA, SOUTH CAROLINA 29201 (803) 737-3880 Fax (803) 737-0592

GEORGE N. DORN, JR. DIRECTOR

October 28, 2001

NOV - 1 2001

Mr. Jack Sprott, Executive Director Charleston Naval Complex Redevelopment Authority 1360 Truxtun Avenue, Suite 300 North Charleston, South Carolina 29405-2005 REDEVELOPMENT AUTHORIT

RE: Memorandum of Agreement between CNCRA and the United States of America Leaseback of DFAS and DAPO Properties

#### Dear Jack:

The above-mentioned Memorandum of Agreement, approved by the Budget and Control Board on August 10, 2000, contains provisions that require the RDA to lease back certain parcels to the U. S. Government. Inasmuch as these provisions are required by Federal law (Section 2837 of the National Defense Act of FY 1996) and have already been approved by the Board, there will be no need for further review by this office for such lease-back transactions between the RDA and the U. S. Government.

A copy of your memorandum concerning your request is attached to this letter. Please contact me if you have further questions about this matter.

Sincerely.

Alton T. Loftis

Attachment

## MEMORANDUM

TO:

Al Loftis, Office of General Services

FROM:

Jack Sprott, Charleston Naval Complex RDA

DATE:

October 24, 2001

SUBJECT:

Federal Lease-Back Property at Naval Complex

The Charleston Naval Complex ("CNC") is owned by the United States of America ("USA") and was used as a military installation for ninety-nine years. The CNC was closed in 1996 pursuant to the Defense Base Closure and Realignment Act of 1993. The Charleston Naval Complex Redevelopment Authority ("RDA") is a public body, corporate and politic, created and organized under laws of the State of South Carolina, with power to acquire and dispose of this military installation.

On October 13, 1998 the RDA submitted to the US Navy an application for an economic development conveyance of the Naval Complex and Naval Annex, including all personal property and utilities. The economic development conveyance was created to facilitate property transfer for community economic recovery while obtaining fair and reasonable compensation for the Federal Government. No-cost economic development conveyance legislation was passed by Congress under the provisions of Section 2821 of the National Defense Authorization Act for Fiscal Year 2000. This Act allows the RDA and the USA to execute a memorandum of agreement for the conveyance of the property at no cost to the RDA or to the State of South Carolina. There will be some restrictions on the sale of the property but these restrictions do not present a problem for the RDA in that its mission and mandate is the redevelopment of the property.

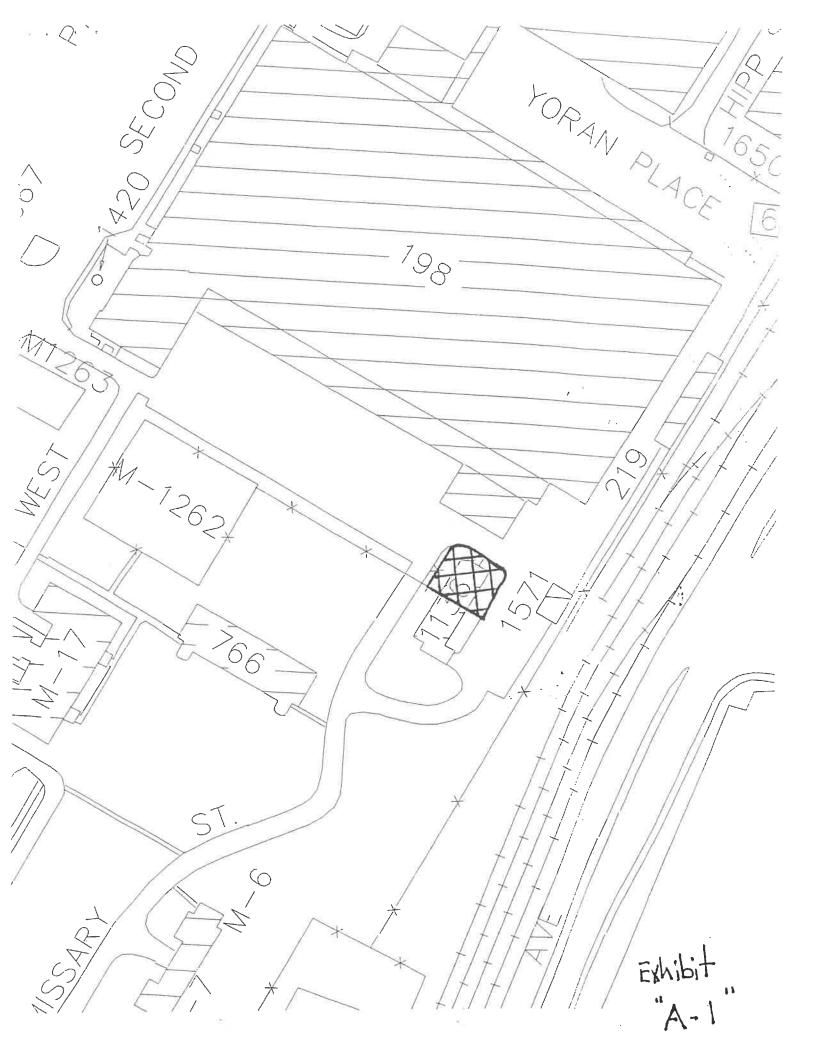
The National Defense Authorization Act of FY96 included a provision for federal agencies to "lease-back" facilities that are being transferred to local communities. This law mandates the terms of the lease-back and provides no other alternative to local redevelopment authorities other than refusing to accept the property.

In order to comply with the requirements of Section 1-11-65 of the SC Code of Laws, the RDA requested SC Budget and Control Board approval for the conveyance of approximately 1,405 acres of land and improvements, including buildings and other structures, personal property, and appurtenances, including rights-of-way and drainage areas known as the Charleston Naval Complex and Naval Annex from the United States of America to the Charleston Naval Complex Redevelopment Authority as described in a MEMORANDUM OF AGREEMENT.

Paragraph "e" of the MEMORANDUM OF AGREEMENT documents the requirements of the lease-back provision stating as follows:

Pursuant to Section 2837 of the National Defense Authorization Act of Fiscal Year 1996 the LRA agrees to lease to the Government that portion of the Property occupied by the Defense Finance and Accounting Service Center ("DFAS Property") as described in Exhibit "G" and that portion of the Property occupied by the Document Automation and Production Service ("DAPO" Property") as described in Exhibit "H".

On August 10, 2000 the SC Budget and Control Board approved the transfer of all properties under the terms of the MEMORANDUM OF AGREEMENT with the stipulation that all conveyances must be reviewed and approved by Budget and Control Board staff to assure compliance with environmental and statutory requirements. Insofar as the terms of the MEMORANDUM OF AGREEMENT, including the lease-back provisions, were previously approved by the Budget and Control Board, I am requesting your concurrence that the lease-back documents need no further review or approvals from the Office of General Services.





BD WAL + AT

## Davis, Belinda

To:

PEBERDY, CHARLIE; Day, John B. LTJG; Anderson, Ray; Mallette, Wannetta; Mayor R.

Keith Summey

Cc:

NAVHOSP-Mary Jane Brown Cales (E-mail); NAVHOSP-J. Hamilton (E-mail)

Subject:

RE: April 16th Tenant Mtg

Hi Charlie - this will confirm that North Charleston will be represented at your 'brown bag' lunch meeting with the federal tenants. I will let you know who will be there from North Charleston. I understand this begins at 11:30 a.m., is that correct? Let me know if there are any changes....belinda

----Original Message----

From: PEBERDY, CHARLIE [mailto:CHARLIE.PEBERDY@DFAS.MIL]

Sent: Wednesday, April 02, 2003 10:43

To: Day, John B. LTJG

Cc: NAVHOSP-Mary Jane Brown Cales (E-mail); NAVHOSP-J. Hamilton (E-mail)

Subject: April 16th Tenant Mtg

John ... Great - I would appreciate it. Your voicemail cut me off before I could leave a msg. So sorry you cannot make it, but your PAO can page me at 961-5160 to discuss details. What we're looking for is a `short' 5 minutes or less on the status of the NAVHOSP / complex / tenants / move out plan + which FY / the new site for the clinic / etc. Thanks. It is a `brown baggin' event, so the PAO needs to haul a Subway - we're doing the punch and cookies. The meeting will be over here on the second floor of our building 198 [old Supply Center].

R/ Charlie Peberdy, 746-6060

p.s.: we are also asking the City of North Charleston [base access and construction initiatives] and the SPA [where is the State Port Authority ramp-up initiative] to provide short talks.

----Original Message-----

From: Day, John B. LTJG [mailto:jday@CHARLESTON.MED.NAVY.MIL]

Sent: Wednesday, April 02, 2003 8:52 AM

To: PEBERDY, CHARLIE Subject: Tenant Mtg

Mr Peberdy,

I just received your voice mail, however, didn't have your phone number. I would be interested in attending/presenting, however, I have commitments that day. I can pass this on to our PAO to see if they would be able to

make it.

V/R LTJG Day 2. Howard for the war of the state of the st

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## Davis, Belinda

To:

JOHNSON, CHARLENE

Cc:

Renee Frye

Subject:

RE: Lease Agreement

Great and yes mam it is the 5 story building across from the mall. See you then.

----Original Message-----

From: JOHNSON, CHARLENE [mailto:CHARLENE.JOHNSON@DFAS.MIL]

Sent: Thursday, March 20, 2003 08:29 To: belinda@northcharleston.org Subject: RE: Lease Agreement

Belinda - March 27 at 10AM will be OK. Is City Hall off Mall Drive over by the old Charlestowne Square Mall? Charlene

----Original Message-----

From: Belinda Davis [mailto:belinda@northcharleston.org]

Sent: Tuesday, March 18, 2003 3:14 PM

To: JOHNSON, CHARLENE Subject: RE: Lease Agreement

how about that thursday (27th) at 10 am at city hall

----Original Message-----

From: JOHNSON, CHARLENE [mailto:CHARLENE.JOHNSON@DFAS.MIL]

Sent: Friday, March 14, 2003 08:44 To: belinda@northcharleston.org Subject: FW: Lease Agreement

Belinda - Unfortunately, Jan Nordsiek, the DFAS Facilities Manager, wants a Memorandum of Agreement or something similar which she said should have been signed by the RDA and the city of N. Chas when the property was transferred. Is there such an animal?

Did you get my message this morning that the afternoon of March 24 is not good for me? I made an appointment to see a specialist about a medical problem I am having, and that is her first opening. R/Charlene

----Original Message-----

From: JOHNSON, CHARLENE

Sent: Wednesday, March 12, 2003 2:13 PM

To: NORDSIEK, JAN

Subject: FW: Lease Agreement

Jan - Is this letter that Mayor Summey sent to Audrey sufficient for the City of N. Charleston's having taken over this property from the RDA or do you need something else? R/Charlene

----Original Message-----

From: Belinda Davis [mailto:belinda@northcharleston.org]

Sent: Wednesday, March 12, 2003 10:21 AM

To: JOHNSON, CHARLENE Cc: Anderson, Ray; 'Renee Frye' Subject: RE: Lease Agreement

Hi, I have attached a copy of Mayor Summey's letter of Jan 21,2003 to Audrey Eckhart on the lease back issue. If this is not sufficient, please let me know. I am waiting on the appointment time, and hopefully today will get back with you on this. Belinda

## Davis, Belinda

To: Cc: JOHNSON, CHARLENE Anderson, Ray; Renee Frye

Subject:

RE: Lease Agreement



DFASAudrey

Eckhart.doc Hi, I have attached a copy of Mayor Summey's letter of Jan 21,2003 to Audrey Eckhart on the lease back issue. If this is not sufficient, please let me know. I am waiting on the appointment time, and hopefully today will get back with you on this. Belinda

----Original Message----

From: JOHNSON, CHARLENE [mailto:CHARLENE.JOHNSON@DFAS.MIL]

Sent: Wednesday, March 12, 2003 07:37

To: belinda@northcharleston.org Subject: Lease Agreement

Belinda - I received a phone call yesterday from the Facilities Manager at DFAS Headquarters. She wanted to know if we had received a "Lease Back" Agreement from the city when they took over this property from the RDA. I told her, "No". Could you provide us with something of this type stating that the city will abide by the terms and conditions reflected in our Lease with the RDA?

Thanks for your help with this. Any date yet for when we can meet with the Mayor?

Respectfully, Charlene B. Johnson DFAS Charleston Corporate Resources Site Manager ----Original Message-----From: PEBERDY, CHARLIE

Sent: Tuesday, March 11, 2003 1:30 PM

To: 'Beth Mccandless'

Cc: State-Becky Roberts (E-mail); JOHNSON, CHARLENE

Subject: Next Tenant Meeting - APRIL 2003

Beth ... DFAS did volunteer at the last gathering to host the next base tenant meeting here within building 198. We are planning on doing it, another brown bag lunch thing [seemed to work nicely], sometime the week of April 14th. Something will be put out soon about the specifics. VR/Peb, 746-6060

----Original Message----

From: Beth Mccandless [mailto:Beth.Mccandless@noaa.gov]

Sent: Tuesday, March 11, 2003 10:49 AM

To: PEBERDY, CHARLIE

Subject:

Charlie,

I wasn't sure but did you offer to host the next Federal Tenant get together?

If so, was wondering when you thought it might be? and I was contacted by the SPA - David Smith (556-7049) who was interested in attending our meetings.

## Davis, Belinda

From:

Frye, Renee

Sent:

Thursday, January 23, 2003 10:21 AM

To: Subject: Davis, Belinda FW: DFAS

Please forward the attachment and I will have the Mayor sign and send it out. I will send you a copy.

#### Thanks!

----Original Message-----From: Anderson, Ray

Sent: Thursday, January 23, 2003 10:09

To: Frye, Renee

Subject:

FW: DFAS

Renee, please place on letterhead for signature. Obtain a copy of the enclosure from Belinda. Thanks.

----Original Message----

From:

Davis, Belinda

Sent:

Tuesday, January 21, 2003 12:15

To: Cc: 'Derk Van Raalte' Anderson, Ray

Subject:

DFAS

DFASAudrey

Eckhart.doc

attached is a copy of the letter....all recommendations are welcomed..

Belinda G. Davis

Economic Development/Base Liaison

City of North Charleston

1360 Truxtun Ave., Ste. 100 / PO Box 19016

No. Chas., S.C. 29405 / No. Chas., S.C. 29419-9016

Tel: 843.308.4747 / Fax: 843.308.4750

Email: belinda@northcharleston.org

January 21, 2003

Audrey Eckhart
Director of Administrative Services
Defense Finance & Accounting Service
Indianapolis
8899 East 56th Street
Indianapolis, Indiana 46249

Dear Ms. Eckhart:

The State of South Carolina passed into law (July 2002) that the Charleston Naval Complex Redevelopment Authority (RDA), upon receiving ownership of the Base property from the Navy shall convey to the City of North Charleston and the S.C. State Ports Authority. Enclosed you will find a copy of this law (2001-2202 Bill 4879: Budget Proviso Codification Act, Property transfer; continuation of benefits, revenues, and funding, Section 15, page 46 of 47). The City and the SPA executed a Memorandum of Agreement in October 2002.

The City is required to honor all existing leases as negotiated by the RDA prior to the effective date; therefore, the DFAS Charleston's lease with the RDA will be honored under the same terms as with the RDA. The City is expecting the first transfer of property, which includes DFAS Charleston to take place in the immediate future.

Please let me know if any further information is required from the City on this transfer.

Sincerely,

R. Keith Summey

Enclosure

Cc: Ernest R. Nelson, NAFAC

Charlene Johnson, DFAS Charleston Joe Maupin, c/o Senator E.F. Hollings

Jack Sprott, CNCRA

Derk Van Raalte, Attorney for North Charleston Belinda Davis, North Charleston Base Liaison

# Davis, Belinda

To: Cc: Derk Van Raalte Anderson, Ray

Subject:

**DFAS** 



attached is a copy of the letter....all recommendations are welcomed..

DFASAudrey Eckhart.doc

Belinda G. Davis
Economic Development/Base Liaison
City of North Charleston
1360 Truxtun Ave., Ste. 100 / PO Box 19016
No. Chas., S.C. 29405 / No. Chas., S.C. 29419-9016

Tel: 843.308.4747 / Fax: 843.308.4750

Email: belinda@northcharleston.org

## Davis, Belinda

To:

Van Raalte

Cc:

randerson@northcharleston.org

Subject: RE: DFAS lease letter

No problem, will have done shortly....b.

----Original Message----

From: Van Raalte [mailto:dvr4@mindspring.com]

Sent: Tuesday, January 14, 2003 10:44 To: belinda@northcharleston.org Cc: randerson@northcharleston.org

Subject: DFAS lease letter

Belinda -

The City needs to send DFAS a letter telling them that we are willing to honor the lease they have with the RDA once the land transfers to City ownership. I'd appreciate it if you could take a stab at putting such a letter together. It can be very short.

Thanks

DVR 1 14 03

The information contained herein is confidential. If you are not the intended recipient, do not use or disclose it. If you have received this transmission in error, please notify me by telephone immediately.

Derk Van Raalte 843-572-8700

#### DEPARTMENT OF THE NAVY

SOUTHERN DIVISION

NAVAL FACILITIES ENGINEERING COMMAND

P.O. BOX 190010

2155 EAGLE DRIVE

NORTH CHARLESTON, S.C. 29419-9010

11011 Code REIB

JAN 03 2003

Mr. Jack Sprott Executive Director, Real Estate Division Charleston Naval Complex Redevelopment Authority 1360 Truxton Avenue, Suite 300 North Charleston, SC 29405-2005

Dear Mr. Sprott:

In accordance with BRAC Law and the Memorandum of Agreement (MOA) dated August 14, 2000 between the Charleston Naval Complex Redevelopment Authority (RDA) and the United States of America which states, "All representations, warranties, agreements, obligations and indemnities of the Parties shall, notwithstanding any investigation made by any party hereto, survive closing and the same shall inute to the benefit of and be binding upon respective successors and assigns of the Parties", the Department of the Navy acknowledges receipt of your letter dated November 1, 2002 regarding your obligations to the Government under law upon transfer of property ownership to the City of North Charleston and agrees that upon transfer of the property to the City of North Charleston, the RDA's only obligations to the Department of the Navy are those stated in the Deed, FOST, MOA and those required under BRAC Law.

Enclosure (1) is the Defense Finance and Accounting Service (DFAS) letter dated 2 December 2002 regarding ownership transfer of the building they currently occupy under a 50 year leaseback.

Our point of contact on this matter is Brenda W. Bowman at (843) 820-7396.

Sincerely,

Ernest R. Nelson

Director, Real Estate Division

Encl: (1) DFAS Letter

## Belinda

01-02.03 enal 1

To:

Cc: Subject: Derk Van Raalte

Anderson, Ray; Mallette, Wannetta; SCBCB, Steve Osborne

FW: Rural Development Funds

----Original Message-----From: Davis, Belinda

Sent: Friday, October 18, 2002 10:40

To: Anderson, Ray

Subject: FW: Rural Development Funds

fyi....l am waiting on Steve Osborne to provide the true amounts on these items. b.

----Original Message-----

From: Jack Sprott [mailto:jsprott@awod.com] Sent: Thursday, October 17, 2002 16:48 To: 'belinda@northcharleston.org' Subject: RE: Rural Development Funds

#### Belinda:

If you remember, I said that we get (average) \$100,000 per year from beverage but it is cyclical. Some years we get over \$100,000 and some years we get almost nothing. I believe that this funding ends in 2004.

#### Jack

----Original Message----

From: Belinda Davis [mailto:belinda@northcharleston.org]

Sent: Thursday, October 17, 2002 4:26 PM

To: Jack Sprott

Belinda.

Subject: RE: Rural Development Funds

THANKS, CAN YOU GIVE ME THE BEVERAGE \$S TOO...

Original Message-----

From: Jack Sprott [mailto:jsprott@awod.com]

Sent Thursday, October 17, 2002 16:23

To: Belinda Davis (E-mail)

Subject: Rural Development Funds

Our average per quarter for 2001 was \$280,625 or \$1,122,500 for the year.

DARS \$5,411 per quarter

DEAS \$209;976 per quarter

SPAWARS \$65,237 per quarter.

Subject: DFAS tax money issue

Date: Tuesday, December 31, 2002 12:16 PM From: Van Raalte <dvr4@mindspring.com>

To: <atitus@noisettesc.com>, <randerson@northcharleston.org>

Cc: <wag@wiselaw.com>, <jbhair@awod.com>

Preliminary indications are that the continued receipt of the tax money associated with federal employees on the base is NOT linked to the City's ownership of the land. Thus, that issue does not appear to necessitate carving out those properties from the assignment so long as the assignment is clear that we are reserving our rights to receive those funds and the transfer agreement is similarly clear. (We will need similar language about the revenues from the shipyard during the next five years.)

Note that the fact that this appears to likely be legally permissible does not mean that the RDA will comply without a fight and that a legal opinion is an opinion, not a guarantee.

Might it be appropriate for Noisette to start thinking about securing DFAS's consent to Noisette ownership? We can talk about these issues and others on Friday.

DVR 12 31 02

The information contained herein is confidential. If you are not the intended recipient, do not use or disclose it. If you have received this transmission in error, please notify me by telephone immediately.

Derk Van Raalte 843-572-8700

## Davis, Belinda

From:

JOHNSON, CHARLENE [CHARLENE.JOHNSON@DFAS.MIL]

Sent:

Wednesday, March 12, 2003 7:37 AM

To: Subject:

belinda@northcharleston.org Lease Agreement

Belinda - I received a phone call yesterday from the Facilities Manager at DFAS Headquarters. She wanted to know if we had received a "Lease Back" Agreement from the city when they took over this property from the RDA. I told her, "No". Could you provide us with something of this type stating that the city will abide by the terms and conditions reflected in our Lease with the RDA?

CK )

Thanks for your help with this. Any date yet for when we can meet with the Mayor?

Respectfully, Charlene B. Johnson DFAS Charleston Corporate Resources Site Manager

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### **INDIANAPOLIS**

8899 EAST 56TH STREET INDIANAPOLIS, INDIANA 46249



DEC 0 8 2002

Naval Facilities Engineering Command

Attn: Ms. Brenda Bowman

P. O. Box 190010

North Charleston, SC 29419-9010

Dear Ms. Bowman:

On November 8, 2002, I received a letter from Mr. Robert Ryan of the Charleston Naval Complex Redevelopment Authority (RDA) requesting a consent letter allowing the transfer of the Defense Finance and Accounting Service (DFAS) property at 1545 Truxtun Avenue from the RDA to the city of North Charleston.

According to the DFAS attorneys, DFAS is not technically the Navy's transferee or assignee under this lease, as a Defense Agency cannot hold an interest in real property. The lease is actually a 50-year, \$1-per-year agreement between the RDA and the Navy, with the Naval Facilities Engineering Command (NAVFAC) as the Navy's representative.

Our attorneys have determined that there is little we can do to stop the transfer of the property to North Charleston as Condition 17.2 of the lease clearly states that "consent will not be unreasonably withheld if [transferred] to (1) a political subdivision." We do insist that the lease be recorded with the county if that has not already occurred and we be given an agreement requiring any future title holder or mortgage entity to honor DFAS' right to possession and quiet enjoyment of the property. We are not waiving any of our rights regarding future transfers of this property, however.

### November 8, 2002

Ms. Audrey Eckhart
Dir., Administrative Services
DFAS
8899 East 56<sup>th</sup> Street
Indianapolis, Indiana 46249

Dear Ms. Eckhart,

This letter concerns the recent "Lease-Back" that DFAS-Charleston entered into with the Charleston Naval Complex Redevelopment Authority. Condition 17.2 of the lease agreement states that "The Lessor shall not transfer ownership rights to any entity without the written consent of the Lessee, or its transferee or assignee, which consent will not be unreasonably withheld if to (1) a political subdivision or (2) a utility provider in accordance with Condition 12 of this Lease."

The Authority has been directed by the S.C. Legislature to transfer ownership of certain parcels of the former Charleston Naval Complex to the City of North Charleston. The DFAS-Charleston leased property is located within an area to be transferred to the City. Per the lease agreement, we are asking for your consent to the proposed transfer.

As additional information, but not affecting this transaction, it is our understanding that the City plans on selling the property to a development company, but then leasing the property back from the development company. The City would obviously have to receive your consent to that transaction as the new assignee.

Should you have any questions, please let me know.

With kind regards,

Robert Ryan Dir., Economic Development



#### **AGENDA ITEM**

item No.:

Session: Regular

Date: January 22, 2002

Subject: Lease of Property to the Defense Finance and Accounting Service (DFAS).

### Background:

As a part of the Memorandum of Agreement (MOA) entered into by the Authority and the Navy for the conveyance of former Naval Complex dated August 14, 2000, the Authority committed to execute a "Leaseback" agreement with the Navy for DFAS. The "Leaseback" agreement is simply a way for the Navy to allow continued use of property by other Department of Defense (DoD) agencies (DFAS), while ceding ownership to the Authority. It is a document that is written in favor of the Navy, with a term of fifty (50) years and an option for an additional term. No rent or Common Area Fees would be paid by DFAS. The only advantage to this type of transaction is that the Authority or its successor will one day have control over the property without having to go through the General Services Administration. A copy of the final agreement is enclosed for your review.

The description of the premises includes facilities 198, 219, 290, 1419, 1420, 1517, M1262 and M1263. The agreement also gives the Navy a lease option on a small portion of property if Building 1136 is ever demolished. A further description of the premises is contained in exhibits "A" and "A-1" of the Lease

Authority Action Requested: Authorize the chairman or other appropriate officers to execute a Leaseback with the Navy for Buildings 198, 219, 290, 1419, 1420, 1517, M1262, and M1263, and all necessary and satisfactory documents and amendments.

Staff Recommendation: Same as above.